

ASSEMBLY BILL

No. 1933

**Introduced by Assembly Members Strom-Martin and
Shelley
(Coauthors: Assembly Members Cardoza, Cedillo, and
Mazzoni)
(Coauthor: Senator Karnette)**

February 15, 2000

An act to add Sections 22334, 24203.6, 24205.5, and 87489 to the Education Code, relating to the State Teachers' Retirement System.

LEGISLATIVE COUNSEL'S DIGEST

AB 1933, as introduced, Strom-Martin. State Teachers' Retirement System: benefits.

The State Teachers' Retirement Law provides that members with 30 or more years of credited service receive increases in their retirement allowance.

This bill would provide additional increases for members with 29 or more and 31 or more years of credited service who retire on and after January 1, 2001.

Under the State Teachers' Retirement Law, service retirement allowances for members, age 60 or over, are calculated based on years of credited service and specified percentages, up to 2.4%, of the member's final compensation, as defined. Existing law prescribes reduced allowances, as specified, for members who retire prior to age 60.

This bill would provide that the service retirement allowance of any member, age 55 or older, shall be based on

2.4% of the member's final compensation if the sum of the member's age and years of credited service equals or exceeds 85.

The bill would also require the Teachers' Retirement Board to conduct a study on the feasibility of basing pensions on years of service and final compensation with no age factor, except minimum retirement age, and to report its findings to the Legislature on or before July 1, 2001.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. This act shall be known and may be cited
2 as the Career Teacher Incentive Act of 2000.

3 SEC. 2. Section 22334 is added to the Education Code,
4 to read:

5 22334. (a) The board shall conduct a study and
6 prepare a report on the feasibility of basing pensions for
7 its members on years of service and final compensation
8 with no age factor, except for minimum retirement age.
9 The study shall consider the effects of making this change
10 within the system's existing fiscal resources, including any
11 surplus, applying these changes prospectively to new
12 members, and identifying how these changes would
13 affect members.

14 (b) The board shall submit a written report with its
15 findings to the Legislature on or before July 1, 2001.

16 SEC. 3. Section 24203.6 is added to the Education
17 Code, to read:

18 24203.6. In addition to the increase prescribed by
19 Section 24203.5, the percentage of final compensation
20 used to compute the allowance pursuant to Section
21 24202.5 or 24203 of a member retiring on or after January
22 1, 2001, who has 29 or more years of credited service, shall
23 be increased by one-tenth of 1 percentage point, and the
24 percentage of final compensation used to compute the
25 allowance pursuant to Section 24202.5 or 24203 of a
26 member retiring on or after January 1, 2001, who has 31
27 or more years of credited service, shall be further

1 increased by another one-tenth of 1 percentage point
2 provided that the sum of the percentage of final
3 compensation used to compute the allowance in Section
4 24202.5 or 24203, including any adjustments for retiring
5 before the normal retirement age, and the additional
6 percentages provided by this section and Section 24203.5
7 does not exceed 2.50 percent.

8 SEC. 4. Section 24205.5 is added to the Education
9 Code, to read:

10 24205.5. (a) Notwithstanding any other provision of
11 this part, any member who is age 55 years or older may
12 retire on or after January 1, 2001, and receive an annual
13 allowance equal to 2.4 percent of final compensation for
14 each year of credited service, if the sum of the member's
15 age in years and fractions thereof and the years and
16 fractions thereof of the member's credited service equals
17 or exceeds 85.

18 (b) The benefits made available pursuant to this
19 section shall be available to all members employed by the
20 school district, community college district, or county
21 superintendent of schools who meet the conditions set
22 forth in this section.

23 (c) Nothing in this section shall be deemed to limit the
24 benefits to which a member may be entitled under
25 Sections 24203.5 and 24203.6.

26 SEC. 5. Section 87489 is added to the Education Code,
27 to read:

28 87489. (a) The annual service retirement allowance
29 for any member employed by the district age 55 years or
30 older who retires under the State Teachers' Retirement
31 System on or after January 1, 2001, shall be calculated
32 pursuant to Section 24205.5 if the sum of the member's
33 age in years and fractions thereof and the years and
34 fractions thereof of the member's credited service equals
35 or exceeds 85.

36 (b) The benefits made available pursuant to this
37 section shall be available to all members employed by the

- 1 community college district who meet the conditions set
- 2 forth in this section.

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